SENATE BILL 3119
By Burchett

HOUSE BILL 3812

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 67, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-702, is amended by deleting the section in its entirety and by substituting instead the following language:

Section 67-5-702.

(a)

(1) There shall be paid from the general funds of the state to certain taxpayers who are totally and permanently disabled, as may be determined by rules and regulations of the state board of equalization, the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given year on that property that the taxpayer owned and used as the taxpayer's residence as provided in this section.

(2) For tax year 2006, the taxpayer's annual income from all sources shall not exceed twenty thousand dollars ($20,000), or such other amount as set forth in the general appropriations act. Thereafter, such annual income limit shall be adjusted to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars ($10.00). The income attributable to the applicant for tax relief shall be the income of all owners of the property and the income of any owner of a remainder or reversion in the property, if the property constituted such person's legal residence at any time during the year for which tax relief is

claimed. Any portion of social security income, social security equivalent railroad retirement benefits, and veterans entitlements required to be paid to a nursing home for nursing home care by federal regulations shall not be considered income to an owner who relocates to a nursing home.

(3) Such reimbursement shall be paid on the first twenty-eight thousand dollars ($28,000), or such other amount as set forth in the general appropriations act, of the full market value of such property.

(b)

(1) In determining the amount of relief to a taxpayer, the effective assessed value on the first twenty-eight thousand dollars ($28,000), or such other amount as set forth in the general appropriations act, of full market value shall be multiplied by a tax rate that has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(2) The effective assessed value shall be determined by multiplying the full market value of the property up to twenty-eight thousand dollars ($28,000), or such other amount as set forth in the general appropriations act, by twenty-five percent (25%).

(3) The full market value of the property shall be determined by adjusting the appraised value of the property as shown on the records of the assessor of property by a factor that reflects the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(c) Taxpayers who become totally and permanently disabled on or before December 31 of the year for which application is made for property tax relief and are otherwise eligible shall be qualified as disabled homeowners.

SECTION 2. This act shall take effect January 1, 2009, the public welfare requiring it.